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# Lottery and Gaming Control Commission

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1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

**Spielo International USA, LLC**

MANUFACTURER LICENSE APPLICANT

COMMISSION PRESENTATION

# **Spielo International USA, LLC**

## **EXECUTIVE SUMMARY**

### **Introduction**

In May 2012, Spielo International USA, LLC filed an application with the Maryland Lottery and Gaming Control Commission (MLGCC) for a Manufacturer's License to be a supplier of video lottery machines. Spectrum Gaming Group, LLC ("Spectrum") a MLGCC approved background investigation contractor conducted the background suitability investigation of Spielo International USA, LLC.

Spielo International USA, LLC distributes electronic gaming machines and provides related goods and services for the US commercial and Native American casino markets. The applicant was formed on September 20, 1994, in Scottsdale, AZ, as Atronic Casino Technology Ltd (ACT). It was originally capitalized with funds paid by owners Paul and Michael Gauselmann, father and son. ACT changed its name in April 1999 to Atronic Americas, LLC and then to Spielo Manufacturing, ULC in September 2011. Atronic Nevada, LLC operated as a wholly owned subsidiary of Atronics Americas, LLC from November 2001 to December 2010, in anticipation of entering the participation games and slot route operations market in Nevada.

Spielo Manufacturing was a subsidiary of GTECH in 2006 when GTECH was acquired by Lottomatica. In 2009 a corporate restructuring resulted in the transfer of GTECH's interest in Spielo to Lottomatica. Spielo International USA, LLC and Spielo Canada, ULC were created during a restructuring of Spielo Manufacturing, LLC. Spielo International USA, LLC has submitted a Manufacturers license application as a result of the restructuring.

Spielo International USA, LLC is a wholly owned subsidiary of Lottomatica Group SpA (Lottomatica). DeAgostini SpA (DeAgostini) is the majority owner of Lottomatica. DeAgostini is owned by B&D Holding de Marco Drago e. C. SaPA and Investendo Srl. (B&D Holding). The owner of B&D Holding and the ultimate parent company of the applicant is Nova Quinta Srl.

As an applicant for a Manufacturer's License, Spielo International USA, LLC has the affirmative obligation to demonstrate its qualifications by clear and convincing evidence pursuant to State Government Article (SG), Title 9, Subtitle 1A, of the Annotated Code of Maryland (the Gaming Law).

### **Findings**

Spectrum conducted a thorough background investigation as required under the Gaming Law. Spectrum analyzed corporate records and scrutinized the business operations, practices and transactions of Spielo International USA, LLC from an integrity and financial suitability standpoint. Spectrum adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in the investigative report. The results of the

investigation for the specific licensing criteria enunciated in the Gaming Law are summarized as follows:

- *Financial stability, integrity and responsibility:* The applicant clearly satisfies the standards for financial stability, integrity and responsibility.
- Integrity of financial backers, investors, mortgages, bondholders and other holders of indebtedness: Nothing was revealed during the investigation that would preclude a finding of integrity.
- *Good character, honesty and integrity:* Based on the results of this investigation, no derogatory information was uncovered that would adversely impact the suitability of the applicant.
- *Sufficient business ability and experience:* Spielo International USA, LLC has established itself as a leading provider of electronic gaming equipment and clearly possesses the requisite business ability and experience.

The applicant is not disqualified from being issued a Manufacturer's License based on any criteria in the Gaming Law. The applicant is qualified to be awarded a license by the Commission.

### **Applicant and Principal Entities**

Spielo International USA, LLC is the applicant for a Manufacturer's License. It is a wholly owned subsidiary of Lottomatica, which is owned primarily by DeAgostini, which in turn is owned by B&D Holding, which in turn is owned by Nova Quinta Srl.

### **Conclusion and Opinion**

This investigation has confirmed that the applicant has the financial resources to execute its business plan, with no derogatory information regarding the applicant's suitability. Furthermore, no disqualifying factors were found that would preclude the applicant from being issued a Manufacturer's License based on the criteria listed in the Gaming Law. It is the opinion of the MLGCC staff that as a result of the restructuring of Spielo International USA, LLC the Manufacturer's license held by Spielo Manufacturing should be transferred to Spielo International USA, LLC as the applicant is qualified to be approved for a Manufacturer's License.